

Message Text

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PAGE 01 KUWAIT 04461 01 OF 02 300747Z

21

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-07

FMC-01 INR-07 NSAE-00 CG-00 OFA-01 DLOS-04 PA-01

USIA-06 PRS-01 SP-02 OMB-01 STR-04 LAB-04 SIL-01 /051 W

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R 291335Z OCT 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3954

INFO USDOC WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY DOHA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

USINT BAGHDAD

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E.O. 11652: N/A

TAGS: EALR, EWWT, KU

SUBJ: KUWAIT PORT DEVELOPEMENTS: FOLLOW-UP ON CONGESTION PROBLEMS.

REF: A. KUWAIT 4106 B. JIDDA 6910

SUMMARY: IN TALKS WITH LOCAL SHIPPING REPRESENTATIVES, EMBASSY HAS BEEN ABLE TO CONFIRM AND ADD DETAIL TO INFORMATION REPORTED IN REFTEL A. LOADING AND UNLOADING DELAYS CURRENTLY 17-18 DAYS. MOREOVER, WHILE THE SITUATION IS EXPECTED TO IMPROVE AS THE RAMADHAN BACKLOG IS WORKED OFF, SIGNIFICANT DELAYS MAY, AT VARIOUS TIMES AND FOR VARIOUS REASONS, STILL BE ENCOUNTERED DURING THE NEXT 6 TO 8 MONTHS. END SUMMARY:

1. EMBOFF HAD RECENTLY DISCUSSED CONGESTION PROBLEMS AT KUWAIT'S
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PAGE 02 KUWAIT 04461 01 OF 02 300747Z

MAIN CARGO PORT AT SHUWEIKH WITH REPRESENTATIVES OF TWO KUWAITI

SHIPPING AGENCIES AND WITH TWO SENIOR OFFICIALS OF THE KUWAIT SHIPPING COMPANY (KSC). IN SUMMARY, THE SHUWEIKH PORT IS NOW SUBJECT TO SEVERAL CONDITIONS THAT WILL MAKE IT INCREASINGLY VULNERABLE TO TEMPORARY BUILDUPS IN TRAFFIC THAT WILL PERIODICALLY CAUSE DELAYS LASTING FOR MORE THAN THE 3-4 DAYS ONCE REPORTED AS THE NORM. THE INFORMATION GARNERED IN THESE DISCUSSIONS CAN BE SUMMARIZED AS FOLLOWS:

2. NUMBER AND DESTINATION OF SHIPS: SOURCES HAVE CONFIRMED IN GENERAL TERMS WHAT WAS REPORTED IN REFTEL A PARA 2. DURING WEEK OF OCT 18, 53 KUWAIT-BOUND SHIPS WERE IN THE HARBOR, IN ADDITION TO THE 34 SHIPS BOUND FOR OTHER GULF PORTS, TAKING ON PROVISIONS AND FUEL.

3. UNLOADING DELAYS: SOURCES ARE AGREED THAT CURRENTLY, SHIPS HAVE BEEN ENCOUNTERING DELAYS OF 17 OR 18 DAYS IN LOADING AND UNLOADING. SOURCES NOTED THAT CONGESTION SURCHARGES OF FROM 5 TO 20 PERCENT HAVE ALREADY BEEN IMPOSED BY THE VARIOUS SHIPPING ORGANIZATIONS (ACMEL, THE "8900" GROUP), AND THAT PLANNED INCREASES IN THESE SURCHARGE RATES DURING MONTH OF NOVEMBER WILL PRODUCE A RANGE OF FROM 15 TO 30 PERCENT. SOURCES ARE DISAGREED AS TO OUTLOOK FOR CONTINUENCE OF SUCH DELAYS OVER NEXT 6 TO 8 MONTHS. ONE SOURCE FELT THAT DELAYS WOULD DEFINITELY GET WORSE, CITING BOTH THE PROBLEMS OF REGISTRATION AND CARGO STOWAGE INDUCED BY PORT CONGESTION ELSEWHERE IN THE GULF AND THE INCREASED TRAFFIC FROM MEDITERRANEAN PORTS GENERATED BY THE OPENING OF THE SUEZ CANAL. (ACCORDING TO SOURCE, IT NOW TAKES ONLY 15-20 DAYS, INSTEAD OF 2 MONTHS, FOR A SHIP TO TRAVEL FROM MEDITERRANEAN PORTS TO KUWAIT). ANOTHER SOURCE, HOWEVER, BELIEVED THAT AS THE RAMADHAN BACKLOG WAS WORKED OFF, THE SITUATION WOULD IMPROVE SOMEWHAT. DUE TO CONTINUED SEASONAL FLUCTUATIONS IN SHIPPING TRAFFIC, HOWEVER, DELAYS WOULD RANGE OVER THE NEXT 6 TO 8 MONTHS BETWEEN 5 AND 15 DAYS.

4. PORT CLEARANCE DELAYS: AN EQUALLY IMPORTANT CAUSE FOR DELAYS IN KUWAIT'S PORT ARE THE ADMINISTRATIVE PROCEDURES INVOLVED IN CLEARING CUSTOMS, AND ADMINISTRATIVE PROBLEMS CONNECTED WITH PORT AUTHORITIES IN GENERAL. EMBASSY CAN CONFIRM FROM SOURCES THAT SHIPPING AGENTS HAVE BEEN USING THE DOCK STORAGE FACILITIES AS A WAREHOUSE, THUS AVOIDING TRANSPORT AND LIMITED OFFICIAL USE

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PAGE 03 KUWAIT 04461 01 OF 02 300747Z

STORAGE CHARGES (REFTEL A, PARA 3). ANOTHER SOURCE OF DELAY IS THE COMPLICATED AND CUMBERSOME CUSTOMS PROCEDURES, INVOLVING SIGNING OFF BY SEVERAL MINOR OFFICIALS OF NUMEROUS OFFICIAL DOCUMENTS. ONE SOURCE ESTIMATED THAT SUCH PROCEDURES CAN LEAD TO DELAYS OVER AND ABOVE UNLOADING DELAYS OF FROM 10 TO 12 DAYS. SOURCE ALSO NOTED, HOWEVER, THAT THIS OCCURRED ONLY WHEN SHIPS WERE UNLOADING GENERAL CARGO AT BERTHS ONE TO EIGHT. SPECIALIZED CARGO CAN BE UNLOADED AT 10 ADDITIONAL BERTHS DIRECTLY ONTO

TRUCKS FOR SHIPMENT BOTH IN KUWAIT AND TO IRAQ AND SAUDI ARABIA.
IN THIS CASE DELAYS AVERAGE ONLY 2-3 DAYS. MOREOVER, TWO DOCKS
AT THE SHUAIBA INDUSTRIAL AREA PORT HAVE BEEN RESERVED FOR
CARGO HANDLING ON A DIRECT SHIP-TO-TRUCK BASIS.

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PAGE 01 KUWAIT 04461 02 OF 02 300755Z

21

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LIMITED OFFICIAL USE SECTION 2 OF 2 KUWAIT 4461

5. SOURCES ALSO INDICATED THAT LABOR SHORTAGES AND LABOR
RELATIONS PROBLEMS ARE CONTRIBUTING TO THE CONGESTION SITUATION.
IN ORDER TO SPEED UP PORT OPERATIONS IN THE FACE OF THE
RAMADHAN BUILDUP, PORT OFFICIALS ATTEMPTED TO FORCE STEVADORS
TO WORK AN EXTRA EVENING SHIFT UNTIL MIDNIGHT. THE STEVADORS,
HOWEVER, BALKED, SAYING THAT, EVEN AT OVERTIME PAY, THEY
COULD NOT WORK FOR SO LONG AND WITH SO LITTLE SLEEP (THE SHIFT
BEGINS AT 5 O'CLOCK IN THE MORNING.) ACCORDING TO ONE SOURCE,
OBTAINING EXTRA DOCK WORKERS IS DIFFICULT, APPARENTLY BECAUSE OF
COMPETITION FOR THEIR SERVICES AT THE MAIN SOURCE, I.E. IRAN.

6. COMMENT AND ACTION REQUESTED: BEST EMBASSY JUDGEMENT ON CONGESTION PROBLEM IS THAT WE EXPECT CONTINUED DELAYS AND FRUSTRATION OF AN ORDER GREATER THAN REPORTED IN LAST SEASON (3-4 DAYS) DUE TO ADMINISTRATIVE AND LABOR PROBLEMS, BUT THAT LIMITED OFFICIAL USE

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PAGE 02 KUWAIT 04461 02 OF 02 300755Z

THE INTENSITY OF CONGESTION PROBLEMS WILL VARY WITH THE EBB AND FLOW OF SHIP TRAFFIC IN THE GULF. WE BELIEVE THAT OPENING OF SUEZ CANAL AND CONGESTION PROBLEMS IN OTHER GULF PORTS WILL SUBJECT THE DEMAND FOR KUWAIT'S PORT FACILITIES TO A GREATER DEGREE OF INSTABILITY THAN THAT EXPERIENCED IN THE PAST, AND THUS TO PERIODIC "TEMPORARY" CONGESTION PROBLEMS. EMBASSY AWARE OF EMBASSY JIDDA INTEREST IN KUWAIT PORT SITUATION (REF B) AND BELIEVES THAT PERIODIC SPOT REPORTING ON PORT STATUS (NUMBER OF SHIPS, DELAYS, SPECIAL PROBLEMS, ETC.) IS NECESSARY TO KEEP ABREAST OF FLUCTUATING TRAFFIC CONDITIONS AND RESULTING CONGESTION DIFFICULTIES. EMBASSY WOULD APPRECIATE REACTION OF EMBASSY JIDDA TO IDEA OF PORT STATUS REPORT ON MONTHLY OR BI-WEEKLY BASIS. ALSO SUGGEST EMBASSY REFER TO OUR A-45, MAY 17, 1975, OUR LAST COMPREHENSIVE REPORT ON KUWAIT PORTS.

7. EMBASSY STRESSES, HOWEVER, THAT EVEN IN THE WORST CASE CURRENTLY BEING REPORTED (17 DAYS FOR UNLOADING, PLUS 12 DAYS FOR CUSTOMS CLEARANCE), THE DELAY FOR GENERAL CARGO IN CLEARING SHUWEIKH IS ONLY 29 DAYS. THIS IS CERTAINLY BETTER THAT CONDITIONS IN OTHER GULF PORTS (IT WAS REPORTED THAT

IT TOOK 30 DAYS JUST TO UNLOAD SHIPS IN DAMMAN). MOREOVER, THERE ARE WAYS TO SIGNIFICANTLY REDUCE WAITING TIME AND SPEED UP CLEARANCE: USE OF LOCAL SHIPPING AGENTS, ARRANGEMENTS FOR DIRECT SHIP TO TRUCK LOADING, USE OF SHUAIBA'S TWO DOCKS, ETC. EMBASSY REQUESTS THAT EMBASSY JIDDA INFORM SHIPPERS OF MATERIAL FOR BUILDING EXPOSITION OF PORT DELAYS AND OF WAYS OF CIRCUMVENTING THEM.
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